Nottingham Town Hall

Advisory Assessing Committee Minutes 08/25/2008

Nottingham
Advisory Assessing Committee

Meeting Minutes

August 25th, 2008

I.

Call to order

Chairman of the Advisory Assessing Committee, John McSorley, called to order the meeting of the **Advisory Assessing Committee** at **7:15pm** on **August 25th, 2008** in **the Nottingham Town Offices**.

II.

Roll call

John McSorley conducted a roll call. The following committee members were present: John McSorley, Andrea Lewy, June Proko, and Jeff Gurrier. The following alternates were present: Skip Seaverns and Bonnie Winona. The following members of the public were present: Heidi Seaverns.

III.

Approval of minutes from last meeting

The meeting minutes from July 28th were reviewed and discussed. The July 28th minutes were approved as amended by John McSorley, Bonnie Winnona, and Skip Seaverns who were all present at the meeting.

IV.

Open issues

1)

John McSorley introduced Heidi Seaverns, Assessing Assistant to the Nottingham Board of Selectmen, who manages the assessing related duties of the Town office. John asked Heidi to speak with the group and explain the role she currently plays executing assessing functions for the Town. The goal of Heidi's presentation was for the committee to have a better understanding of the division of labor between the Town Assessors, the contract assessing firm, and Town office staff.

Heidi opened by explaining that she would organize her presentation by following the outline of the committee's draft 'Duties of Nottingham Board of Assessors' outline. She then presented the committee with a document titled 'Review Schedule for Exemptions, Credits and Current Use for 2011 Certification'. This document details the timeline for performing reviews of existing exemptions, credits, and current use in order to meet the State regulations.

Heidi presented the committee with a binder containing statutes, sample forms, logs, worksheets, applications, sample letters, and reports that are used in the course of her assessing related duties. She then followed the outline to frame her comments.

2) Oversight Function 1: Oversee and approve all applications for Exemptions, Credits, Current Use, Timber and Gravel Tax Applications.

Applications for exemptions are due on April 15th every year. Existing exemptions are reviewed every 5 years according to the Review Schedule she had previously handed out. Nottingham has an Elderly exemption, Disabled exemption, and a Blind exemption. Applicants must fill out form PA29, the standard exemption/credit form. There are income and asset guidelines that must be met. They have to provide a copy of their birth certificate. If they are under 65 and disabled under social security Title 2 or 16 they can qualify for the Disabled exemption. Once they turn 65, and if they still qualify, they can receive the Elderly exemption instead of the Disabled exemption if they so choose (whichever is greater). At no time can they receive both.

The exemptions are dictated by State Statute. The maximum exemptions are not dictated by statute. Nottingham has one of the most generous amounts for income and assets for these exemptions according to Heidi. These limits were set in 2003 at the Nottingham Town Meeting. For the Elderly exemption the income limits are $35,000 for a single person, $45,000 for a married couple with assets no greater than $150,000. Assets do not include your personal residence and up to two acres of land. The State guidelines are $13,400 single, $20,400 married but, the Towns can vote to increase those numbers.

The Elderly and the Disabled exemption is subtracted from their assessed property value before the property tax is assessed. For the Elderly exemption the amount depends on their age, from 65 to 74 its $98,700, from 75 to 79 its $139,125, and 80+ is $179,600. Applicants must supply financial statements as backup for their assets. Those are held in the office and returned once the application has been acted on. Confidentiality plays a big part in this. The applicant has to have lived in the home for 3 years. For the Disabled exemption, the applicant must have a letter from the Dept. of Social Security stating that they are totally disabled under Title 2 or Title16. They must also have lived in their home for 5 years prior the year of their application.

The elderly or the disabled have another option that hasn't been used a lot, they can defer their taxes. The deferment cannot exceed 85% of the homes equalized value. Within that limit, they can defer as much or as little as they want. A lien is recorded at the registry, it is 5% interest. If there is a mortgage, the mortgagee must sign off. It is payable if the property goes into someone's estate when they pass away or if the property is sold.

Heirs do have 9 months to redeem it, so there is some time to deal with the estate. It is an option for some people to stay in their home. It can even be established if the property is in an irrevocable trust but, there are restrictions. The property can not have been transferred to the applicant within the last 5 years from a person under the age of 65 and related by blood or marriage.

Heidi reviews all applications for completion and the inclusion of all required documentation. Then the town administrator, Charlie Brown, and Heidi review them, and review the financial information. If anything is missing they write a letter to the applicant requesting the missing information. Generally, accepted applications are not processed in time for the first tax billing because of time constraints with the filing deadlines and when the tax bills need to go out.

The Board of Selectmen are signatories for the applications but, they don't see any of the financial information that accompanies the applications.

Annually form A9 is required to be filed for an applicant to be considered for a Religious exemption. Religious exemptions are pretty straight forward; existing Religious exemptions are mailed an A9 form as a courtesy at the beginning of March. The form must be filed by April 15th or they lose the exemption. This applies to churches.

Veterans Credit is $500 yearly off of the applicants' tax bill. There are specific dates of service or certain medals to qualify.

Veterans' disability credit is $1,400 off of the applicants' tax bill. The applicant needs a letter from the Veterans Administration saying that they are totally and permanently disabled as a result of their service to qualify. That doesn't mean that you automatically qualify for the Veterans Credit as well, you still need to meet qualifying time frames for that. An individual can qualify for both, however, if they meet all the qualifications for both credits. They fill out form PA29 and provide form DD214 (discharge papers), which are returned to them after the application is processed. These are reviewed by Heidi and Charlie Brown and are usually in place for first issue tax bills.

Current Use Credit has two facets. First, putting a property into current use requires applying for it by April 15th. Form A10 must be filled out and a map of the property must be provided indicating what land that is in current use and what isn't. The map must also delineate any farmland, wetland, or forest land. Heidi reviews the forms for completeness and then passes them on to the assessor. The assessors come back with a recommendation and the Board of Selectmen sign.

When a property no longer qualifies to be in Current Use, a tax of 10% of the fair market value is assessed. This value is determined by the appraising contractor based on a sales analysis. There is a one year period from the date the Town discovers the change for the tax to be assessed tax. Heidi provides the appraising contractor with a property tax card and asks for the fair market value and the amount of the tax. The Board of Selectmen sign the form and a warrant they Heidi has prepared indicating the land use change tax amount. Heidi prepares the forms and sends them to the property owners, return receipt, and to the tax collector.

The DRA requires that the Town review all exemptions and credits at least once every five years for certification. Heidi referred to the document titled 'Review Schedule for Exemptions, Credits and Current Use for 2011 Certification' to illustrate the review schedule. It can take several attempts to get the required information from the taxpayers.

This year there are 8 disabled exemptions, 29 elderly exemptions, 236 Veterans Credits, and approximately 299 owners with parcels in Current Use.

For the Timber Tax, there is a form for the intent to cut. For the Gravel Tax there is a form for the intent to excavate. Heidi reviews the forms for completeness and gets a statement from the tax collector that the taxes are current. State law says that if the applicants' taxes are not current, the Board of Selectmen cannot sign the form until the applicant pays their taxes or posts a bond. Based on the intent, a bond is figured. Once it is signed off, the form goes to the Dept. of Revenue. Every year, the applicant must file a report of cut, which generates a timber levy. The DRA provides spreadsheets to calculate the levies. Those are signed by the Board of Selectmen and the tax collector sends those tax bills out.

3) Oversight Function 2: Oversee field inspections by the contractor chosen by municipality to collect data for all new construction and properties with active building permits.

When a building permit is issued a copy comes to Heidi. She enters the appropriate information into the assessing software and tags it for review. The new permits are queried for a report. The tax cards are printed and given to the appraising contractor. Heidi then enters any changes to the tax cards into the assessing software when returned by the appraising contractor. The revised values are usually in for first issue tax billing. As a result of the 2008 Town Meeting, any card with a change in value triggers the Town to provide the property owner with a copy of the new card as well as the old card. There were 173 properties that had changes this year. There are 189 properties tagged for review as of August 20th.

The State requires that every property be reviewed every five years. Through the data verification process, twenty percent of all properties in town are reviewed each year. There are 430 properties chosen for data verification this year. The computer picks a random sample of properties in the cycle that have not been inspected yet and prints a report for the appraising contractor. They go out to the properties for their initial visit. If nobody is there or they refuse to have the home interior inspected, they do the external measure unless they were asked to leave the property.

If the inspector is unable to do the inspection a letter is sent to the property owner asking them to call to set up an appointment for the inspection. If they do call, the inspector revisits the property. If property owner doesn't call to set an appointment, the listing data they have is used. If the values change the property owner will get a copy of the old tax card and the new tax card.

DRA does their yearly check of the data verification work. When Heidi is done entering the changes into the system she runs a list of the properties that were visited. The DRA picks 20 properties randomly and Heidi prints tax cards for them. They inspect those properties. If there is an issue they provide a report to the appraising contractor and the Town. Historically, there hasn't been anything major.

4) <u>Oversight Function 3: Oversee field inspections on all properties that have transferred during the contract period, and investigate and verify the circumstances surrounding all sales. This includes review and data entry of sales in preparation for New Hampshire DRA yearly ratio study (See item 7)</u>.

Heidi receives copies of the deeds of property sales from the prior month from the Registry of Deeds. She has to identify the properties on the deeds and enters the changes on the computer. If there is a question on the Qualified/Unqualified status of the property she will ask the appraising contractor for clarification. Heidi then enters a revised tax card in the sales book. Sales properties are not visited other than the random data verification unless it is a revaluation year. In that case, the appraising contractor will go out and inspect all of those properties. The list of sales is submitted to the DRA once a year. The range is from October 1st of the preceding year to September 30th of the current year.

5) <u>Oversight Function 4: Oversee or supervise field inspections and other studies to review all abatement requests at the local level</u>.

The Town typically uses the Board of Tax and Land Appeal (BTLA) abatement application. If someone writes a letter instead of sending in the BTLA form, Heidi sends them a letter and asks them to file on the BTLA form. If they don't, the abatement is still acted upon. She reviews the application to be sure they are

complete. If there is information missing, like Map and Lot# or street address, she will enter that in if she knows the property. When asked, Heidi couldn't remember a time when she couldn't identify the proper Address or Map and Lot# when it was missing on a form.

It is the taxpayer's responsibility to prove good cause for the abatement. Suggestions will be made about using comparables or appraisals but, the form will not be filled out for them.

The abatement applications are logged and assigned a number. The abatement application, the supporting materials, and a copy of the current property record card are forwarded to the appraising contractor. A copy of the current property record card is also kept with the abatement application.

Most abatement applications are forwarded to the appraising contractor, however, some are not such as for the inability to pay. Those applicants with financial hardship meet with the Board of Selectmen directly in non-public session per statute (91-A:3,II,(C)). The applicant can request a public meeting if they prefer.

In a typical year the abatements are sent to the appraising contractor in batches as they come in rather than all at once. Abatement applications are due March 1st unless it falls on a weekend or holiday. In a normal year there are 10 to 20 abatement applications. In a revaluation year, more abatements are typically filed.

Abatements are reviewed by the appraising contractor. If warranted, they go out and inspect the property. They provide written recommendations to the Board of Selectmen. The Board of Selectmen generally follows those recommendations.

After the MS-1 is filed and until the tax bills are printed, no changes can be made in the assessing system. Residents will have to file for abatements to get those items corrected. It's a timing issue.

Abatements are funded by an overlay. The Board of Selectmen determines the amount of the overlay at the time the tax rate is set. It can be no more than 5% of the total amount of tax due. It is typically higher in a revaluation year than other years. If the abatements turn out higher than the overlay, then the budget would be affected. That has never happened.

The overlay needs to consider pending court cases. Those cases may affect many prior tax years and include 6% interest. The total rebate can be substantial. The Town Administrator handles that kind of thing with the appraising contractor.

6) <u>Oversight Function 5: Consider all properly filed abatement requests by any taxpayer and after review and research, shall make a determination in writing or oversee it if revaluation contractor provides service and make determination in writing to taxpayer within statutory timeframes</u>.

Heidi discussed this topic under Function 4.

7) <u>Oversight Function 6: Meet and work with DRA Monitors to ensure the Municipality is meeting all certification requirements of DRA and to maintain a good working relationship with DRA</u>.

If there is a question or issue for the DRA the Town's DRA monitor can be called directly. If there is an issue with the appraising contractor, the contractor can be contacted directly for clarification. It hasn't occurred yet but, the DRA could be contacted for help about a contractor issue if it was needed. There is a supervisor at the appraising contractor, they also perform quality control.

The DRA also reviews the Town's contract with the appraising company but, it is up to the Town to enforce it.

If there were issues with the data collectors, that will come to light through the DRA's Data Verification process. The DRA performs a random sample of inspections of properties to verify the accuracy of the data collectors. The DRA issues a report card every year. That report goes to the town, the appraising contractor and the ASB (Assessing Standards Board).

The DRA isn't a policing agency, they can't intervene directly. Any action that was taken would have to be done through the BTLA (Board of Land and Tax Appeal). There is also an ethics committee in the NH Association of Assessing Officials.

8) Oversight Function 7: Perform annual assessment to sales ratio studies for the purpose of tracking equity and determining the need for a full revaluation, partial revaluation, or statistical update to be compliant with Part 2, Article 5 of the NH Constitution and RSA 75:8 – Revised Inventory.

Heidi generates the equalized ratio study for issue to the DRA by December 17th. This is done digitally but, manual worksheets are still created as a quality control. There is a list of codes that can be used when qualifying or unqualifying sales for the study. The appraising contractor reviews the draft equalization study. The final report is submitted electronically to the DRA. The DRA generally comes back with questions.

The DRA provides the Town with their certified equalized ratio study by January/February.

If the Town's values are disproportionate as expressed by the COD (coefficient of dispersion), the DRA will encourage the Town to do some form of revaluation. You have to update your values at least every five years per statute.

9) Oversight Function 8: Assist in MS-1 preparation as necessary in preparation for tax rate setting by the New Hampshire Department of Revenue Administration.

The MS-1 is used to set the tax rate, although it isn't the only document the DRA uses to set the rate. The DRA also have to figure in schools, the budget, revenues, etc. The MS-1 is due September 1st. In revaluation years it is not uncommon to file an extension. Extensions need to be filed by September 1st and signed off by the Board of Selectmen.

After the tax rate has been set, the Assessing Coordinator creates the tax warrant for signature by the Board of Selectmen. Warrants are created twice a year. After the warrant is signed, it is presented to the Tax Collector so they can print the tax bills.

10) Oversight Function 9: Develop and engage in public information and public relations activities with all Nottingham taxpayers.

There hasn't been any extra time for public relations activities. This list of assessing functions doesn't cover all of the activities that need to be done. Heidi coordinates subdivision and tax map changes which fluctuate yearly.

The Assessing Coordinator works between 35 and 40 hours a week. She also has other duties in support of the Selectmen including, but not limited to, backup payroll administrator; answer the phones and providing help at the front desk for people who walk into the town office needing assistance of any kind.

It is unclear at this time how the staffing will be affected by the new Board of Assessors. If they choose to meet more often than the Board of Selectmen, there may be a staffing shortage. For example, someone has to take minutes. If they meet more often, that will require more available time. If the Board of Assessors performs the same functions as the Board of Selectmen has historically, than the required manpower should not change significantly. But, it is hard to know at this point what the impact will be as it is all speculative. It is up to the Board of Selectmen what is going to happen. She currently reports to the Board of Selectmen, although the Town Administrator manages her time.

The group discussed the need to develop a budget plan to cover the staff, office equipment and expenses necessary for the assessing function once it moves to the new Board of Assessors. Heidi said there is currently an assessing budget and her salary is included in that assessing budget.

The group decided to review the function outline in light of the information that Heidi presented at the meeting.

V.

New business

1)

No new business was discussed.

VI.

Adjournment

Chairman of the Advisory Assessing Committee, John McSorley, adjourned the meeting at **10:00 pm**.

Minutes submitted by: Jeff Gurrier

Minutes approved by: unanimous vote